REMARKS

The October 20, 2006 Office Action regarding the above-identified application has been carefully considered; and the various amendments above together with the remarks that follow are presented in a bona fide effort to respond thereto and address all issues raised in that Action. The specification has been amended to conform certain reference numbers to numbers appearing the drawings. The claims have been amended to improve clarity and to distinguish over a document applied in an art rejection the Office Action. Unless specifically referenced in a traversal of the art rejection below, it is believed that revised claim language only provides improved grammar or clarity and as such does not narrow the scope of any amended claim. Care has been taken to avoid entry of new matter. For reasons discussed below, it is believed that all issues raised in the Action are addressed by this response and as a result this case is now in condition for allowance. Prompt favorable reconsideration of this amended application is requested.

The Office Action included an objection to the drawings for use of reference numerals not present in the detailed description. The objection listed several discrepancies between reference numbers used in the specification and reference numerals S104, S501 and S601 shown in the drawings. Each discrepancy has been corrected by appropriate amendment. The specification now expressly mentions numbers S104, S501 and S601. It is submitted that there are no longer any numbers appearing in the drawings that are not specifically mentioned in the detailed description. Withdrawal of the objection to the drawings is earnestly solicited.

The Office Action included an objection to the specification for failing to provide antecedent usage of several the terms "second use condition," "return unit" and "setting unit," which appeared in the previous versions of the claims. Recitations of the "return unit" and "setting unit" terms have been deleted from the claims, and other terms such as "return control

section" from the specification have been used where appropriate. The specification objection with respect to the terms "return unit" and "setting unit" should be overcome by the claim amendments.

With respect to the "second use condition," however, the objection is traversed. The specification clearly discusses stored licenses, license requests and license issuances, which have various "use conditions." Attention for example is directed to the paragraph beginning near the bottom of page 10 and to the paragraph beginning near the bottom of page 23. The recitations of "first" and "second" in the claims with respect to licenses and use conditions relate to order of reference in the claim and provide consistency in claim language. Such usage is in accord with common conventions of claim drafting. In view of the extensive description of use conditions and the common claim usage of "first" and "second," ample antecedent and disclosure does appear in the specification; and an express recitation of a "second use condition" in the specification should be unnecessary. Withdrawal of the specification objection with respect to the term "second use condition" is respectfully requested.

The unnecessary period has been deleted from the second line of claim 12, in answer to the claim objection.

The Office Action included a rejection of claims 1-17 under the second paragraph of 35 U.S.C. § 112 as indefinite. First, the rejection indicated that the term "said content" in independent claim I lacked antecedent basis earlier in the claim. In response, Applicants have deleted the "said" from the first reference to "content" in claim I (see sixth line). Next, the rejection indicated that "said content" in independent claim 2 lacked clear antecedent, on the basis that the preamble used the somewhat different reference to "decrypting encrypted content." In response, Applicants have deleted the word "encrypted" from the preamble of claim 2. As such, the preamble refers to processing (decrypting) of "content" and should provide clear

consistent antecedent basis for later claim recitations of "said content." The rejection included claims 16 and 17 but did not specifically identify any indefinite points in either of those claims. However, it is noted that independent claim 16 included references to "encrypted content" and "said content" similar to those in claim 2. Hence, Applicants have amended claim 16 in a manner similar to the amendment of claim 2, on the point, that is to say by deleting the work "encrypted" in reference to the content. Applicants respectfully submit that the identified definiteness concerns have been addressed, all of the pending claims clearly and distinctly point out subject matter that Applicants are claiming, and the rejection under the second paragraph of 35 U.S.C. § 112 should be withdrawn in view of this response.

Claims 1-17 were rejected under 35 U.S.C. §102(e) as anticipated by U.S. Publication No. 2003/005135 to Inoue et al. (hereinafter Inoue). Applicants respectfully submit that Inoue does not meet all recitations of Applicants' amended claims. A detailed discussion of the distinctions of the claims over Inoue follows.

Each of Applicants' independent claims 1, 2 and 16 includes inter alia a recitation of:

a return control section for automatically restoring to a return state of said second license when said expration date/time for said terminal has passed, so that said issuance unit can issue said second license for another terminal.

In the disclosed system, acquisition and return of temporary licenses are controlled such that temporary licenses whose expiration date/time have passed are automatically returned if their return flags are set at a value indicating automatic return (see e.g. paragraph beginning near the bottom of page 16). With this arrangement, the exemplary license server can carry out return processing on a temporary license, even under circumstances where a terminal does not return the temporary license, e.g. where the terminal is a portable device not always connected to the network or the user has forgotten to return a temporary license and turned off the terminal off.

The disclosed automatic license return processing enables users at other terminals to use the returned temporary licenses, which is convenient.

It is respectfully submitted that Inoue does not disclose a return control section for automatically restoring to a return state of a license when expiration date/time for the terminal has passed, so that the issuance unit can issue the license to another terminal, as now recited in all three of Applicants' independent claims.

Inoue discloses generating and sending to a child terminal 150 or a child user a license ticket that is information for permitting usage of the content on the child terminal 150 or by the child user. However, the child license ticket includes a restriction indicated by the parental control information 600 that is an instruction to put a restriction on usage of a content on the child terminal 150 or by a child user (see abstract). Inoue discloses a temporary usage restriction 2300 stored in a temporary usage restriction database 2214. A right expiration date 2303 is included in a temporary usage restriction 2300 (paragraph [0162]). Inoue discloses that the usage restriction information management unit deletes the registration of the second user for the terminal device from the terminal device management unit when the usage expiration date specified by the usage restriction information has passed. The license management server device does not accept the instruction from the terminal device by the second user who is not registered in the terminal device management unit (paragraph [0163]).

Although user rights expire, there is no restoration. Apparently, further use by the user or terminal, whose right expired will be blocked. Inoue does not disclose that the usage restriction information management unit restores to a return state of a license ticket when the usage expiration date has passed, so that the license management server device can accept the instruction from the terminal device by the second user who is not registered in the terminal device management unit.

Inoue therefore does not disclose the feature of "a return unit for automatically restoring to a return state of said second license when said expiration date/time for said terminal has passed, so that said issuance unit can issue said second license for another terminal" of the present independent claims.

As discussed above, Inoue does not satisfy at least one recitation appearing in each independent claim. Hence, Inoue does not anticipate any of the independent claims. Applicants therefore submit that all of the independent claims, as well as the claims that depend therefrom, are novel over the Inoue document.

In addition, the dependent claims specify further distinctions over Inoue. Specific examples of such further distinctions are discussed below.

As to claim 4, Inoue apparently discloses that "a content distribution system permits registration of plurality of users on one terminal," which may relate to some maximum allowable number of simultaneous license issues at the same time. However, this does not satisfy claim 4. Inoue does not suggest the feature that "said return control section stops automatically restoring said return state of said second license when the maximum allowable number of simultaneous issues has exceeded its initial value store din said first memory unit" of the last paragraph of the claim.

As to claim 5, Inoue only discloses a temporary usage restriction for another user (Fig. 28), but Inoue does not disclose return mode information indicating whether or not said second license is to be returned.

As to claims 6 and 7, Inoue only discloses that a user can add a use restriction for another user, but Inoue does not disclose setting said return mode information according to a request from said terminal.

For at least the reasons discussed above, the anticipation rejection should now be

overcome.

Upon entry of the above claim amendments, claims 1, 2, 4-8 and 12-18 are active in this

application, all of which should be definite and novel over the art applied in the Action.

Applicants therefore submit that all of the claims are in condition for allowance. Accordingly,

this case should now be ready to pass to issue; and Applicants respectfully request a prompt

favorable reconsideration of this matter.

It is believed that this response addresses all issues raised in the October 20, 2006 Office

Action. However, if any further issue should arise that may be addressed in an interview or by

an Examiner's amendment, it is requested that the Examiner telephone Applicants'

representative at the number shown below.

To the extent necessary, if any, a petition for an extension of time under 37 C.F.R. §

1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of

this paper, including extension of time fees, to Deposit Account 500417 and please credit any

excess fees to such deposit account.

Respectfully submitted.

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